No. 93-63

IN THE

Supreme Court of the United States

OCTOBER TERM, 1993

L.A. GEAR, INC.

Petitioner,

v.

THOM MCAN SHOE COMPANY,
MELVILLE CORPORATION AND PAGODA TRADING
COMPANY, INC.,

Respondents.

On Petition for Writ of Certiorari
to the United States Court of Appeals
for the Federal Circuit

MOTION FOR LEAVE TO FILE BRIEF AMICUS CURIAE AND BRIEF AMICUS CURIAE OF INTERNATIONAL TRADEMARK ASSOCIATION, IN SUPPORT OF PETITIONER

JOAN L. DILLON
GINABETH BROWN
MORTON DAVID GOLDBERG
*JOHN C. STATON, JR.
*Counsel of Record
International Trademark Association
1133 Avenue of the Americas
New York, NY 10036-6710
Telephone: (212) 768-9887

Attorneys for Amicus Curiae,
International Trademark Association

IN THE

Supreme Court of the United States

OCTOBER TERM, 1993

No. 93-63

L.A. GEAR, INC.

Petitioner,

v.

THOM MCAN SHOE COMPANY, MELVILLE CORPORATION AND PAGODA TRADING COMPANY, INC.,

Respondents.

On Petition for Writ of Certiorari
to the United States Court of Appeals
for the Federal Circuit

MOTION OF INTERNATIONAL TRADEMARK ASSOCIATION FOR LEAVE TO FILE BRIEF AMICUS CURIAE IN SUPPORT OF PETITIONER

COMES NOW, THE INTERNATIONAL TRADEMARK ASSOCIATION ("INTA"), and pursuant to Supreme Court Rule 37.4, moves this Court for leave to file a brief amicus curiae in support of Petitioner in the above-captioned cause. This Motion is required because Respondents, by their counsel, in the above-captioned cause have refused to grant their consent. Petitioner's letter of consent is filed herewith.

Movant, INTA, is an organization comprised of over 2600 members. Many of these are trademark owners and many others are trademark practitioners. These members have worked very hard to help promulgate, and have an interest in, the creation of a wise and coherent national trademark law, and the same parties are at least as interested in assuring uniformity of application of that law. The first goal is realized in the Lanham Act, (Trademark Act of 1946, as amended, 15 U.S.C. § 1051, *et seq.*). But it is not enough that the

Lanham Act set up a statutory framework of trademark law. It is just as critical to the even disposition of cases and to a uniform federal law that the judicial administration of the trademark law also be consistent across the nation.

Trademark owners are presently disadvantaged by inconsistent, and sometimes inappropriate, standards of appellate review employed by the several circuits in trademark and trade dress cases. The finding of likelihood of confusion in trademark and trade dress cases has long been the subject of conflicting description. INTA submits that this disharmony in description is that which has created the lack of uniformity in the standard of review applied to the finding by the several circuits. Review runs the gamut from de novo to "clearly erroneous," with a mixture of standards being used by some circuits depending on whether the finding reviewed is one which the appellate court believes it is in as good a position as the trier of fact to determine. This is a troubling situation and can only be resolved by this Court.

The instant case dramatically illustrates the result of the uneven standards of review. Here, the Federal Circuit Court of Appeals errs in the application of the Second Circuit standard. The Federal Circuit's departure from the established standard of the regional circuit by which it was bound should not be allowed. INTA's members often hold patents as well as trademarks. They may find themselves before the Federal Circuit in cases procedurally similar to the instant case. INTA believes the Federal Circuit should be held to the established standard of review of the regional circuit from which the case arises.

INTA asks the Court to fashion an order which, as to this important and often controlling issue, will create uniformity of review throughout the circuits, finally evolving the trademark law from an even federal law subject to uneven application, to an certain law evenly applied throughout the circuits. A clearly erroneous standard of review should eliminate any tendency to forum shop, lend due weight to trial court decisions and should discourage appeals in the hope of a de novo review of the facts.

The litigants herein are concerned primarily with the elements of the present disputed error. For INTA, it is important that these errors not recur. In addition to correcting the instant error, the Court should address the important question of federal law underlying the error. It should finally decide whether likelihood of confusion is a finding of

fact or of law, or a mixed finding of fact and law and establish adherence to a uniform standard of review throughout the circuits.

For this reason, Movant respectfully requests leave to file the brief amicus herein entered.

Respectfully submitted,

JOAN L. DILLON
GINABETH BROWN
MORTON DAVID GOLDBERG
*JOHN C. STATON, JR.
*Counsel of Record
International Trademark
Association
1133 Avenue of the Americas
New York, NY 10036-6710
Telephone: (212) 768-9887

Attorneys for Amicus Curiae,
International Trademark Association

IN THE

Supreme Court of the United States

OCTOBER TERM, 1993

NO. 93-63

L.A. GEAR, INC.

Petitioner,

v.

THOM MCAN SHOE COMPANY, MELVILLE CORPORATION AND PAGODA TRADING COMPANY, INC.,

Respondents.

On Petition for Writ of Certiorari
to the United States Court of Appeals
for the Federal Circuit

BRIEF AMICUS CURIAE OF INTERNATIONAL TRADEMARK ASSOCIATION IN SUPPORT OF PETITIONER

TABLE OF CONTENTS

Page

INTEREST OF THE AMICUS CURIAE 2

SUMMARY OF THE ARGUMENT 3

ARGUMENT 4

I. There Is a Conflict Between the Circuits on the Standard of Review Used in Trademark Cases on the Finding of Likelihood of Confusion 4

A. The Majority of the Circuits Hold That Likelihood of Confusion Is a Finding of Fact Reviewable Under the Clearly Erroneous Standard of Rule 52(a), Federal Rules of Civil Procedure 6

B. A Minority of the Circuits Hold That Likelihood of Confusion Is a Conclusion of Law or a Mixed Question of Law and Fact Reviewable De Novo 8

II. The Supreme Court Should Resolve the Split in the Circuits on the Proper Standard of Review of the Finding of Likelihood of Confusion 10

A. A Uniform Standard of Review Is Necessary in Trademark/Trade Dress Cases to Achieve the Goals of the Lanham Act 11

B. The Clearly Erroneous Standard of Federal Rule 52(a) Should Be Applied Even if the Finding of Likelihood of Confusion Is a Mixed Question of Law and Fact 12

III. The Federal Circuit Should Be Held to the Second Circuit's Clearly Erroneous Standard of Review 15

CONCLUSION 18

TABLE OF AUTHORITIES

Page

Alpha Indus., Inc. v. Alpha Steel Tube & Shapes, Inc., 616 F.2d 440 (9th Cir. 1980) 7

American Home Prods. Corp. v. Barr Labs., Inc., 834 F.2d 368 (3d Cir. 1987) 6

Amoco Oil Co. v. Rainbow Snow, Inc., 809 F.2d 656 (10th Cir. 1987) 5

Anderson v. Bessemer City, 470 U.S. 564 (1985) 6

Bauer Lamp Co. v. Shaffer, 941 F.2d 1165 (11th Cir. 1991) 5

Braun Inc. v. Dynamics Corp. of Am., 975 F.2d 815 (Fed. Cir. 1992) 6

Carson v. Here's Johnny Portable Toilets, Inc., 698 F.2d 831 (6th Cir. 1983) 10

Centaur Communications, Ltd. v. A/S/M Communications, Inc., 830 F.2d 1217 (2d Cir. 1987) 9

Chevron Chem. Co. v. Voluntary Purchasing Groups, Inc., 659 F.2d 695 (5th Cir. 1981), *cert. denied*, 457 U.S. 1126 (1982) 7

Cicena, Ltd. v. Columbia Telecommunications Group, 900 F.2d 1546 (Fed. Cir. 1990) 15

ConAgra, Inc. v. George A. Hormel & Co., 990 F.2d 368 (8th Cir. 1993) 5

De Costa v. Columbia Broadcasting Sys., Inc., 520 F.2d 499 (1st Cir. 1975), *cert. denied*, 423 U.S. 1073 (1976) 5

Elby's Big Boy, Inc. v. Frisch's Restaurant, Inc., 670 F.2d 642 (6th Cir. 1982), *cert. denied* 459 U.S. 916 (1982) 10, 11

Frisch's Restaurant, Inc. v. Shoney's, Inc., 759 F.2d 1261, 1264 (6th Cir. 1985) 4

Giant Food, Inc. v. Nation's Foodservice, Inc., 710 F.2d 1565 (Fed. Cir. 1983) 6

Inwood Labs., Inc. v. Ives Labs., Inc., 456 U.S. 844 (1982) 6, 14, 15

Johns Hopkins Univ. v. Hutton, 422 F.2d 1124 (4th Cir. 1970), *aff'd in part and rev'd in part*, 488 F.2d 912 (4th Cir. 1973) and *cert. denied*, 416 U.S. 916 (1974) 13

Keebler Co. v. Rovira Biscuit Corp., 624 F.2d 366 (1st Cir. 1980) 6, 7, 8

Kentucky Fried Chicken Corp. v. Diversified Packaging Corp., 549 F.2d 368 (5th Cir. 1977) 7, 8

L.A. Gear, Inc. v. Thom McAn Shoe Co. et al., 988 F.2d 1117 (Fed. Cir. 1993) 15, 16, 17

Levi Strauss & Co. v. Blue Bell, Inc., 778 F.2d 1352 (9th Cir. 1985) 7, 10

Life Technologies, Inc. v. Gibbco Scientific, Inc., 826 F.2d 775 (8th Cir. 1987) 6

Marcon, Ltd. v. Helena Rubenstein, Inc., 694 F.2d 953 (4th Cir. 1982), *affd.*, 225 U.S.P.Q. 895 (4th Cir.) and *cert. denied*, 474 U.S. 825 (1985) 5

McGregor-Doniger, Inc. v. Drizzle, Inc.,
599 F.2d 1126 (2d Cir. 1979) 9

McMonagle v. Northeast Women's Center, Inc.,
493 U.S. 901 (1989), *cert. denied*, 494
U.S. 1068 (1990) 10, 11

Munters Corp. v. Matsui Am., Inc.,
909 F.2d 250 (7th Cir.), *cert.*
denied, 498 U.S. 1016 (1990) 5

Murphy v. Provident Mut. Life Ins. Co.,
923 F.2d 923 (2d Cir. 1990), *cert. denied*,
112 S. Ct. 65 (1991) 5

Nutri/System, Inc. v. Con-Stan Indus.,
809 F.2d 601 (9th Cir. 1987) 5, 7

Opticians Ass'n of Am. v. Independent
Opticians of Am., 920 F.2d 187 (3d
Cir. 1990) 5

Original Appalachian Artworks, Inc. v.
Toy Loft, Inc., 684 F.2d 821
(11th Cir. 1982) 6

Paddington Corp. v. Attiki Importers and
Distribs., Inc., 27 U.S.P.Q. 2d 1189
(2d Cir. 1993) 9, 17

Pizzeria Uno Corp. v. Temple, 747 F.2d 1522
(4th Cir. 1984) 14

Pullman-Standard, Div. of Pullman, Inc. v.
Swint, 456 U.S. 273 (1982) 7, 9, 14

Readers Digest Ass'n v. Conservative
Digest, Inc., 821 F.2d 800 (D.C.
Cir. 1987) 5

Safeway Stores, Inc. v. Safeway Discount
Drugs, Inc., 675 F.2d 1160 (11th Cir. 1982) 7

Scandia Down Corp. v. Euroquilt, Inc., 772 F.2d 1423 (7th Cir. 1985), *cert. denied*, 475 U.S. 1147 (1986) 10, 13

Spring Mills, Inc. v. Ultracashmere House, Ltd., 689 F.2d 1127 (2d Cir. 1982) 9

SquirtCo. v. Seven-Up Co., 628 F.2d 1086 (8th Cir. 1980) 8

Sun Banks of Fla., Inc. v. Sun Fed. Sav. & Loan Ass'n, 651 F.2d 311 (5th Cir. 1981) 6, 8

TSC Indus. v. Northway, Inc., 426 U.S. 438 (1976) 13

Union Nat'l Bank v. Union Nat'l Bank, 909 F.2d 839 (5th Cir. 1990) 5

United States v. United States Gypsum Co., 333 U.S. 364 (1948) 6, 13, 15

W.R.B. Corp. v. Geer, 313 F.2d 750 (5th Cir. 1963) 6

Wesco Mfg. v. Tropical Attractions of Palm Beach, Inc., 833 F.2d 1484 (11th Cir. 1987) 7

Wynn Oil Co. v. American Way Serv. Corp., 943 F.2d 595 (6th Cir. 1991) 5, 9, 10

Zenith Radio Corp. v. Hazeltine Research, Inc., 395 U.S. 100 (1969), *rev'd*, 401 U.S. 321 (1971) 5, 12, 13, 15

STATUTES, RULES & REGULATIONS

Page

Fed. R. Civ. P. 52(a) 11, 12, 13, 14, 15

15 U.S.C. § 1051 1

15 U.S.C. § 1114 4

15 U.S.C. § 1125(a) 4

15 U.S.C. § 1127 11

1985 Amendment to Fed. R. Civ. P. Rule 52(a) 6

OTHER AUTHORITIES

Page

Steven A. Childress and Martha Davis, *1 Federal Standards of Review* § 1.02 (2d ed. 1992) 12

134 Congressional Record (516972 daily ed. October 20, 1988) (Statement of Senator De Concini) 2

Patricia Kaeding, *Clearly Erroneous Review of Mixed Questions of Law and Fact: The Likelihood of Confusion Determination in Trademark Law*, 59 U. Chi. L.Rev. 1291 (1992) 8, 9

Brett Reynolds, *Appellate Review of Lanham Act Violations: Is Likelihood of Confusion a Question of Law or Fact?* 38 Sw.L.J. 743 (1984) 12

United States Trademark Association, Trademark Review Commission, *Report and Recommendations to U.S.T.A. President and Board of Directors* (1987), 77 Trademark Reporter 375 11

United States Trademark Association, 77 Trademark Reporter 228 (Testimony of Ronald Kareken before the Subcommittee on Courts, Civil Liberties and the Administration of Justice of the House Judiciary Committee, 1988) 11

IN THE

Supreme Court of the United States

OCTOBER TERM, 1993

No. 93-63

L.A. GEAR, INC.

Petitioner,

v.

THOM MCAN SHOE COMPANY, MELVILLE CORPORATION AND PAGODA TRADING COMPANY, INC.,

Respondents.

On Petition for Writ of Certiorari
to the United States Court of Appeals
for the Federal Circuit

BRIEF AMICUS CURIAE OF INTERNATIONAL TRADEMARK ASSOCIATION IN SUPPORT OF PETITIONER

Upon motion for leave submitted herewith pursuant to Rule 37.4 of the Rules of the Court, the International Trademark Association ("INTA") respectfully submits this Brief of Amicus Curiae.

INTA urges the Court to grant certiorari on Petitioner's Question 2 because it raises an important question of federal trademark law. The Court should take this opportunity to resolve the split among the circuits on the standard of review properly to be applied to the finding of likelihood of confusion in trademark and trade dress cases. The circuits are divided on whether likelihood of confusion is a question of fact, a question of law, or a mixed question of law and fact. Resolution of this conflict should substantially aid in the application of a uniform standard of review throughout the circuits. National uniformity of trademark law has been achieved through legislation. Uniformity of

application of the law will not be achieved, however, as long as the standard of review varies from circuit to circuit.

Certiorari is also appropriate on Petitioner's Question 3 because the Court of Appeals for the Federal Circuit failed to apply the standard of review established by the Second Circuit. Instead, the Federal Circuit clearly substituted its own findings for those of the district court through a de novo review of several factors relevant to the finding on likelihood of confusion. Accordingly, this case should be remanded to the Federal Circuit for review under the proper standard. It is on these points, Petitioner's Questions 2 and 3, that this Brief Amicus Curiae is filed in support of the Petitioner. INTA takes no position on Petitioner's Question 1.

INTEREST OF THE AMICUS CURIAE

INTA is a not-for-profit corporation of more than 2600 members having a special interest in trademarks and trade dress. The members include trademark owners, advertising agencies, and law firms from the United States and foreign countries. All members are interested in protecting the integrity of trademarks through a coherent and consistent legislative and judicial treatment of trademarks. At least two of the litigants, L.A. Gear, Inc. and Melville Corporation, are members of INTA.

INTA was founded in 1878 as the United States Trademark Association. Its first goal was to encourage the enactment of federal trademark legislation. INTA has been instrumental in making recommendations and providing assistance to legislators in connection with the first federal trademark law, the Lanham Act and amendments thereto, including the Trademark Law Revision Act of 1988. *See* 134 Congressional Record (516974 daily ed. October 20, 1988).

Some of the world's foremost corporations are members of INTA. These members form an important segment of the United States business community. These members and their counsel have substantial expertise in trademark law. INTA has participated in the past as an amicus curiae in many trademark cases before this Court and in lower courts. INTA's members participate regularly in federal trademark and trade dress litigation. Accordingly, INTA is interested in coherency and consistency in the outcome of such litigation and in

the proper application of the standard of review by appellate courts in such cases.

The interests of INTA's members and of the judicial system are best served by achieving a valid and binding decision in trademark cases at the lowest federal court level, with proper deference to trial court findings and uniformity of the standard of review by appellate courts. These interests can be served only if this Court sets a uniform standard of review by resolving the split among the circuits on whether likelihood of confusion is a question of fact, question of law, or mixed question of fact and law, and by requiring appellate courts to give proper deference to trial court decisions. INTA believes this case provides the Court with such opportunities. Accordingly, INTA urges this Court to grant the Petition for Certiorari with respect to Questions 2 and 3.

SUMMARY OF THE ARGUMENT

There is a split between the circuits in the standards of review in trademark and trade dress cases. The clearly erroneous standard of review mandated by Rule 52(a) of the Federal Rules of Civil Procedure[1] for findings of facts is used by all circuits except by the Federal Circuit when reviewing the factors relevant to a determination of likelihood of confusion. The clearly erroneous standard should be used by all circuits.

The majority of the circuits review the ultimate question of likelihood of confusion under the clearly erroneous standard, while the minority review the ultimate finding on likelihood of confusion de novo. Again, the clearly erroneous standard should be used by all the circuits.

The use of different standards of review on the finding of likelihood of confusion by the circuits arises largely from their inconsistent definition of likelihood of confusion as a question of fact,

---

[1] Federal Rule 52(a) states that "[f]indings of fact, whether based on oral or documentary evidence, shall not be set aside unless clearly erroneous, and due regard shall be given to the opportunity of the trial court to judge of the credibility of the witnesses."

a question of law, or a mixed question of fact and law. A consistent and coherent standard of review of the most critical question in an infringement case is needed. A decision of this Court on this issue will meet that need. Such a decision will also further the goals of the Lanham Act, which was enacted to provide the federal courts with a uniform body of substantive law. Uniform appellate review of cases brought thereunder is essential to effectuate the goals of this legislation.

The Second Circuit, from which this case arose, employs a two-tier review. It considers the facts leading to the conclusion on likelihood of confusion to be findings of fact, subject to the clearly erroneous standard, and it considers the ultimate finding on likelihood of confusion to be a conclusion of law, subject to de novo review. In this case, however, in violation of its admitted duty to follow the law of the originating circuit, the Federal Circuit reviewed de novo certain factors supporting the finding of likelihood of confusion. The Federal Circuit should not be permitted to abandon the standard of review of the originating circuit and, in the absence of a finding of clear error below on the facts, should not substitute its own findings on issues of fact.

Determinations of trademark infringement and trade dress infringement are based upon the same factors and are both resolved upon a finding of likelihood of confusion.[2] Accordingly, this case is a proper vehicle to establish, once and for all time, a uniform standard.

ARGUMENT

I. There Is a Conflict Between the Circuits on the Standard of Review Used in Trademark Cases on the Finding of Likelihood of Confusion.

The courts of appeals have applied diverse standards of review in analyzing lower courts' findings of likelihood of confusion. This has caused uncertainty and inconsistency of review among the circuits. Not only is there currently a variety of standards across the thirteen

---

2 The same factors are considered in claims under 15 U.S.C. § 1125(a) as under 15 U.S.C. § 1114. *See Frisch's Restaurant, Inc. v. Shoney's, Inc.*, 759 F.2d 1261, 1264 (6th Cir. 1985).

circuits as a whole, but the standard applied in various regional circuits -- such as the Ninth -- has changed dramatically through time. The effect is that litigants face uncertainty as to which standard of review is to be applied. A decision from the Court as to the appropriate standard of review will create certainty as to the standard and relieve the parties of that additional burden.

The Lanham Act provides no guidance as to whether the finding of likelihood of confusion should be treated as a finding of fact or conclusion of law. The circuits are divided on this issue. This Court has, in a handful of decisions, implied that appellate review of the lower court's finding of likelihood of confusion should be treated as a finding of fact under a clearly erroneous standard. *See, e.g., Zenith Radio Corp. v. Hazeltine Research, Inc.*, 395 U.S. 100, 123 (1969), *rev'd*, 401 U.S. 321 (1971). Now is the time for the Court to clarify that position and establish uniformity in trademark cases.

Ten of the circuits use the clearly erroneous standard mandated by Rule 52(a) of the Federal Rules of Civil Procedure.[3] Two of the circuits use a two-step review, combining a clearly erroneous review of the findings on facts leading to the finding of likelihood of confusion, with a de novo review on the finding of likelihood of confusion.[4] The

---

3 These include the First, Third, Fourth, Fifth, Seventh, Eighth, Ninth, Tenth and Eleventh and the D.C. Circuit. *De Costa v. Columbia Broadcasting Sys., Inc.*, 520 F.2d 499 (1st Cir. 1975), *cert. denied*, 423 U.S. 1073 (1976); *Opticians Ass'n of Am. v. Independent Opticians of Am.*, 920 F.2d 187 (3d Cir. 1990); *Marcon, Ltd. v. Helena Rubenstein, Inc.*, 694 F.2d 953 (4th Cir. 1982), *aff'd*, 225 U.S.P.Q. 895 (4th Cir.) and *cert. denied*, 474 U.S. 825 (1985); *Union Nat'l Bank v. Union Nat'l Bank*, 909 F.2d 839 (5th Cir. 1990); *Munters Corp. v. Matsui Am., Inc.*, 909 F.2d 250, 252 (7th Cir.), *cert. denied*, 498 U.S. 1016 (1990); *ConAgra, Inc. v. George A. Hormel & Co.*, 990 F.2d 368 (8th Cir. 1993); *Nutri/System, Inc. v. Con-Stan Indus.*, 809 F.2d 601 (9th Cir. 1987); *Amoco Oil Co. v. Rainbow Snow, Inc.*, 809 F.2d 656 (10th Cir. 1987); *Bauer Lamp Co. v. Shaffer*, 941 F.2d 1165 (11th Cir. 1991); *Readers Digest Ass'n v. Conservative Digest, Inc.*, 821 F.2d 800, 804 (D.C. Cir. 1987).

4 The Second and Sixth Circuits use this approach. *Murphy v. Provident Mut. Life Ins. Co.*, 923 F.2d 923 (2d Cir. 1990), *cert. denied*, 112 S. Ct. 65 (1991); *Wynn Oil Co. v. American Way Serv.*

Court of Appeals for the Federal Circuit uses de novo review of the finding of likelihood of confusion when a case is appealed from the Trademark Trial and Appeal Board, *see Giant Food, Inc. v. Nation's Foodservice, Inc.*, 710 F.2d 1565 (Fed. Cir. 1983), and adopts the standard of the originating circuit in other cases. *See Braun Inc. v. Dynamics Corp. of Am.*, 975 F.2d 815, 819 (Fed. Cir. 1992).

A. The Majority of the Circuits Hold That Likelihood of Confusion Is a Finding of Fact Reviewable Under the Clearly Erroneous Standard of Rule 52(a) of the Federal Rules of Civil Procedure.

The circuits which adhere to the clearly erroneous standard give substantial deference to the experience of the trier's of facts "with the mainsprings of human conduct," *see Keebler Co. v. Rovira Biscuit Corp.*, 624 F.2d 366, 377 (1st Cir. 1980), and the trier's unique opportunity to evaluate the credibility of the witnesses and weigh the evidence. *See Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 855 (1982).

These circuits hold that a finding of likelihood of confusion is purely one of fact, indicating that, "unless we are 'left with the definite and firm conviction that a mistake has been committed' we must affirm the findings of the district court." *Life Technologies, Inc. v. Gibbco Scientific, Inc.*, 826 F.2d 775, 776 (8th Cir. 1987) (quoting from *Anderson v. Bessemer City*, 470 U.S. 564, 573 (1985)). "The findings of the district court are clearly erroneous [w]hen . . . the reviewing court on the entire evidence is left with the definite and firm conviction that a mistake has been committed." *Sun Banks of Fla., Inc. v. Sun Fed. Sav. & Loan Ass'n*, 651 F.2d 311, 315 (5th Cir. 1981) (quoting from *United States v. United States Gypsum Co.*, 333 U.S. 364, 395 (1948)). Findings should be set aside only if the court is left with the impression that the result is not the truth and the right of the case. *W.R.B. Corp. v. Geer*, 313 F.2d 750, 753 (5th Cir. 1963). The appellate court should assume that the trier of fact met its burden of considering all the relevant factors. *Original Appalachian Artworks, Inc. v. Toy Loft, Inc.*, 684 F.2d 821, 832 (11th Cir. 1982).

This treatment is consistent with the 1985 Amendment to Federal Rule 52(a), which makes clear that a district court's conclusions cannot be regarded as questions of law merely because they are based

---

Corp., 943 F.2d 595 (6th Cir. 1991).

on evidence that, in theory, the appellate court could evaluate independently. *See American Home Prods. Corp. v. Barr Labs., Inc.*, 834 F.2d 368, 370 (3d Cir. 1987) (improper for appellate court to consider itself as capable of deciding factual issues as the district court, and review de novo such cases).

De novo review is permissible only when the district court's factual findings are based upon an erroneous interpretation of the law, *see Keebler Co.*, 624 F.2d at 375, or a misapplication of legal principles. *Pullman-Standard, Div. of Pullman, Inc. v. Swint*, 456 U.S. 273, 287 (1982); *see also Chevron Chem. Co. v. Voluntary Purchasing Groups, Inc.*, 659 F.2d 695 (5th Cir. 1981), *cert. denied*, 457 U.S. 1126 (1982). Most appellate courts engage in de novo review only when convinced that the factors leading to the finding of likelihood of confusion have been improperly weighed. *Kentucky Fried Chicken Corp. v. Diversified Packaging Corp.*, 549 F.2d 368, 384-85 (5th Cir. 1977).

The district court errors mandate remand, *see Wesco Mfg. v. Tropical Attractions of Palm Beach, Inc.*, 833 F.2d 1484, 1489 (11th Cir. 1987), or reversal, the latter if an earlier remand had failed to have the proper standard applied. *Safeway Stores, Inc. v. Safeway Discount Drugs, Inc.*, 675 F.2d 1160, 1163-64, 216 U.S.P.Q. 599, 602 (11th Cir. 1982).

The Ninth Circuit, which now follows the majority, had applied a two-tier review -- reviewing disputed findings of fact under the clearly erroneous standard, and the finding on likelihood of confusion de novo. *See Alpha Indus., Inc. v. Alpha Steel Tube & Shapes, Inc.*, 616 F.2d 440, 443-44 (9th Cir. 1980). The Ninth Circuit still describes likelihood of confusion as a mixed question of law and fact, but nevertheless now applies the clearly erroneous standard. *Levi Strauss & Co. v. Blue Bell, Inc.*, 778 F.2d 1352, 1355 n.4 (9th Cir. 1985); *Nutri/System, Inc. v. Con-Stan Indus.*, 809 F.2d 601 (9th Cir. 1987).

All circuits agree that likelihood of confusion is determined by weighing the evidence as to objective factors, although the factors analyzed are not identical from circuit to circuit. The majority view the weighed factors, in their entirety, as a finding of fact. Only a small minority, to which the Ninth Circuit formerly belonged, divide the determination into a two-tier test that first analyzes the applicable factors and then applies a legal standard of likelihood of confusion against the factors analyzed. For this minority of circuits, the finding of likelihood of confusion is a mixed question of fact and law.

Cases from the First, Fifth and Eighth Circuits illustrate the majority position. The First Circuit, in denying appellant's argument that the clearly erroneous standard should not be applied, flatly rejected the position taken by "several courts" that "the nature of the determination of likelihood of confusion makes it a question of law." *Keebler Co.*, 624 F.2d at 377. The First Circuit stated that the lower court's determination -- based upon its examination of physical evidence[5] -- would be held to the clearly erroneous standard just as if the finding had been based upon testimony or documentary evidence. The First Circuit was insistent that the lower court be reversed only if clearly erroneous.

Where an appellant attempted in vain to have the Fifth Circuit distinguish the factors probative of likelihood of confusion from the finding on likelihood of confusion, the Fifth Circuit, indicated that it was willing to carve out an exception for de novo review from the clearly erroneous standard but that it would do so only, "when the district court labors under a misapprehension concerning the governing legal norms." *See Sun Banks of Fla., Inc. v. Sun Fed. Sav. & Loan Ass'n*, 651 F.2d 311, 314-315 (5th Cir. 1981), *citing Kentucky Fried Chicken*, 549 F.2d at 384.

The Eighth Circuit applied the clearly erroneous standard even while noting it might have issued a different finding on a de novo review. *SquirtCo v. Seven-Up Co.*, 628 F.2d 1086, 1091 (8th Cir. 1980) (affirming, after finding adequate support in the record for the lower court's finding of likelihood of confusion). The Eighth Circuit stated unequivocally, that "[l]ikelihood of confusion is a finding of fact." *Id.*

B. A Minority of the Circuits Hold That Likelihood of Confusion Is a Conclusion of Law or a Mixed Question of Law and Fact Reviewable De Novo.

A commentator has suggested that the appellate courts that employ de novo review treat likelihood of confusion as a question of law because they believe the phrase "likely to cause confusion" presents such a question. Resolution of the question "focuses on

---

5 "In determining that Rovira's can gives rise to consumer confusion, the court apparently relied solely on inferences drawn from its own examination of the two containers . . .." *Keebler Co.*, 624 F.2d at 377.

whether the established factual situation meets the legal standard of the likelihood of confusion . . . ." Patricia Kaeding, *Clearly Erroneous Review of Mixed Questions of Law and Fact: The Likelihood of Confusion Determination in Trademark Law,* 59 U. Chi. L.Rev. 1291, 1300 (1992). The Second and Sixth Circuits treat findings on the factors as findings of facts and view the finding on likelihood of confusion as a mixed question of fact and law.[6]

The Second Circuit now reviews the determination of underlying factors under a clearly erroneous standard, but reviews de novo the ultimate finding of likelihood of confusion, which is based upon a weighing of the several factors. *Paddington Corp. v. Attiki Importers & Distribs., Inc.,* 27 U.S.P.Q.2d 1189 (2d Cir. 1993). The Second Circuit decided *Paddington* in June 1993, subsequent to the decision of the Federal Circuit in the instant case. *Id.* This practice is a departure from the Second Circuit's prior practice of reviewing findings on selected factors de novo, namely, the similarity of the trademarks, advertising and methods of presentation of the trademarks. *Spring Mills, Inc. v. Ultracashmere House, Ltd.,* 689 F.2d 1127, 1130 (2d Cir. 1982); *McGregor-Doniger, Inc. v. Drizzle, Inc.,* 599 F.2d 1126, 1133 (2d Cir. 1979) ("To the degree that the determination of likelihood of confusion rests upon a comparison of the marks themselves, the appellate court is in as good a position as the trial judge to decide the issue"). *See also, e.g., Centaur Communications, Ltd. v. A/S/M Communications, Inc.,* 830 F.2d 1217, 1226 (2d Cir. 1987). The Second Circuit has now renounced this practice unequivocally. It has adopted "... [a] clearly erroneous standard [of review of findings on the factors] which adjust[s] the Second Circuit standard to bring it in line with [Federal Rule 52(a)]." *Paddington Corp. v. Attiki,* 27 U.S.P.Q.2d at 1194.

The Sixth Circuit also uses a two-step analysis, first reviewing the "foundational" factors leading to a finding of likelihood of confusion under the clearly erroneous standard and then, describing likelihood of confusion as an ultimate fact, reviewing it de novo. *Wynn Oil Co. v. American Way Serv. Corp.,* 943 F.2d 595 (6th Cir. 1991); *see also*

---

6 A mixed question is that where "the historical facts are admitted or established, the rule of law is undisputed, and the issue is whether the facts satisfy the statutory standard, or to put it another way, whether the rule of law is or is not violated." *Pullman-Standard, Div. of Pullman, Inc. v. Swint,* 456 U.S. 273, 289, n.19 (1982).

Carson v. Here's Johnny Portable Toilets, Inc., 698 F.2d 831, 833 (6th Cir. 1983).

The Ninth Circuit had originally applied a complicated test, reviewing de novo the determination of likelihood of confusion when it was found on undisputed facts and applying the two-tier test when disputed facts were involved: clearly erroneous review of foundational facts, *plus* de novo review of the legal conclusion. *See Levi Strauss & Co. v. Blue Bell, Inc.*, 778 F.2d 1352, 1355 n.4 (9th Cir. 1985). Because the distinction between the disputed and undisputed facts was often omitted, and recognizing that Federal Rule 52(a) applies to "undisputed facts," the Ninth Circuit in 1985 decided to apply the clearly erroneous standard "henceforth." *Id.* at 1355.

The Ninth Circuit conformed its position to that of the majority of circuits for the same reasons for which this Court should determine once and for all the proper standard of review: "[f]or the sake of accuracy, uniformity, and consistency". *See id.* at 1356. Likelihood of confusion is "a factual determination woven into the law." *Id.* It is not amenable to contrived tests that treat individual facts differently than the totality of the analysis of those same facts. *Id.* Appellate courts should therefore not be allowed merely to substitute their findings for those of the trier of fact and thereby afford every disappointed litigant a second chance de novo to obtain a favorable decision. *See id.*

II. The Supreme Court Should Resolve the Split in the Circuits on the Proper Standard of Review of the Finding of Likelihood of Confusion.

The Court should take this opportunity to establish the proper standard of review finally and conclusively, to increase the reliance on a trial court's decision, to establish uniformity of the standard of review throughout the circuits, and to deal with this issue which is truly ripe for authoritative determination.

The Court failed to take advantage of at least three previous opportunities to address the proper standard of review for likelihood of confusion in Lanham Act cases. *McMonagle v. Northeast Women's Center, Inc.*, 493 U.S. 901, 904 (1989), *cert. denied*, 494 U.S. 1068 (1990); *Scandia Down Corp. v. Euroquilt, Inc.*, 772 F.2d 1423, (7th Cir. 1985), *cert. denied*, 475 U.S. 1147 (1986); *Elby's Big Boy, Inc. v. Frisch's Restaurant, Inc.*, 670 F.2d 642 (6th Cir.), *cert. denied* 459 U.S. 916

(1982). (White, J., dissented from the denial of certiorari in each case).

In *McMonagle,* 493 U.S. at 904 (1989), Justice White noted that these courts of appeal have split over "whether a district court's finding of a likelihood of confusion in a trademark infringement matter under [the Lanham Act] is reviewable under the clearly erroneous standard as a finding of fact or de novo as a conclusion of law." INTA respectfully submits that the time is ripe for the Court to decide whether likelihood of confusion is a finding of law or of fact, or a mixed question of law and fact.

A. A Uniform Standard of Review Is Necessary in Trademark/ Trade Dress Cases to Achieve the Goals of the Lanham Act.

Certainty in the law of unfair competition and trademark is one of the goals of the Lanham Act.[7] That goal can never be achieved without a uniform standard of appellate review. Allowing appellate courts to use conflicting standards of review defeats the purpose of codifying the substantive law.

The efficient use of judicial resources requires consistent appellate review based upon the clearly erroneous standard mandated by Federal Rule 52(a). To use any other standard diminishes the value of the trial court as the proper forum to determine factual issues,

---

7 15 U.S.C. 1127. "Today, under the rubric of Section 43(a), there is in every way but name only a federal common law of the major branches of the law of unfair competition." United States Trademark Association, Trademark Review Commission, *Report and Recommendations to U.S.T.A. President and Board of Directors* (1987), 77 Trademark Reporter 375.

"The Trademark Law Revision Act modernizes the Lanham Act by ... removing inconsistencies, codifying its judicial interpretations ...." Ronald Kareken, then President of the United States Trademark Association, speaking in support of Passage of the Trademark Law Revision Act, United States Trademark Association, 77 Trademark Reporter 228, U.S.T.A. Testimony before the Subcommittee on Courts, Civil Liberties and the Administration of Justice of the House Judiciary Committee, (1988).

because it creates an incentive for an unsuccessful litigant to appeal in the hope of having his case reheard de novo on the critical issues.[8]

A consistent standard of review is necessary if courts are to apply Lanham Act principles uniformly. An inconsistent standard defeats the purpose of the law, the intent of Congress and is contrary to prior teachings of this Court.[9]

> . . . Standards of review appear to have real value -- to guide the process, to tip the balance to one side, to direct the court to common points of departure already deemed relevant. At least the standards are useful to organize an argument or holding or to give a shared language of appellate scope.

Childress and Davis, *supra* note 9, at 1-16.

B. The Clearly Erroneous Standard of Federal Rule 52(a) Should Be Applied Even if the Finding of Likelihood of Confusion Is a Mixed Question of Law and Fact.

As this Court instructed the courts of appeals in 1969, "appellate courts must constantly have in mind that their function is not to decide factual issues de novo" when "applying the clearly erroneous standard to the findings of a district court sitting without a jury." *Zenith Radio Corp. v. Hazeltine Research, Inc.*, 395 U.S. 100, 123 (1969), *rev'd*, 401 U.S. 321 (1971). That instruction related to Federal Rule 52(a),

---

8 "[O]ne could question whether the appropriate role of the appellate court is to give losers at trial a second chance on fact questions." Brett Reynolds, *Appellate Review of Lanham Act Violations: Is Likelihood of Confusion a Question of Law or Fact?* 38 Sw. L.J. 743, 770 (1984).

9 "In *Pullman-Standard v. Swint* (citation omitted), the Supreme Court decided . . . the Fifth Circuit's imprecision left a hole big enough for the *Swint* majority to drive through in requiring remand to the trial court rather than accepting the circuit court's apparent decision that the finding at issue was also clearly erroneous." Steven Alan Childress and Martha Davis, *1 Federal Standards of Review* § 1.02 at 1-18 (2d ed. 1992).

which, of course, applies to "all actions tried upon the facts without a jury or with an advisory jury." Thus, even though a claim of patent infringement was the crux of *Zenith Radio Corp.*, the Court's instruction applies totally to the finding on likelihood of confusion in the trademark infringement setting.

The Court specifically stated that "[t]he question for the appellate court under Rule 52(a) is not whether it would have made the findings the trial court did, but whether 'on the entire evidence [it] is left with the definite and firm conviction that a mistake has been committed.'" *Zenith Radio Corp.*, 395 U.S. at 123 (quoting from *United States v. United States Gypsum Co.*, 333 U.S. 364, 395 (1948)).

The Court's mandate for "the entire evidence" to be reviewed under a clearly erroneous standard embraces review of the finding of likelihood of confusion as a question of fact, even in the minority of circuits. *See Zenith Radio Corp.*, 395 U.S. at 123. The Court has recognized in the context of other types of claims that an issue that involves "the application of a legal standard to a particular set of facts" can be described as a mixed question of law and fact. *TSC Indus. v. Northway, Inc.* 426 U.S. 438, 450 (1976) (regarding the materiality of facts omitted from proxy statements). However, the Court went on to recognize that that mixed question (of materiality) could not be resolved "'as a matter of law' by summary judgment" unless the trier of fact found the omissions "'so obviously important . . . that reasonable minds cannot differ on the question of materiality.'" *Id. (quoting from Johns Hopkins Univ. v. Hutton,* 422 F.2d 1124, 1129 (4th Cir. 1970), *aff'd in part and rev'd in part*, 488 F.2d 912 (4th Cir. 1973) and *cert. denied*, 416 U.S. 916 (1974)). By analogy, then, the mixed question of likelihood of confusion must be reviewed under a clearly erroneous standard. The issue of materiality requires "delicate assessments of the inferences" by the trier of fact. *Id.* at 450. Likewise, the issue of likelihood of confusion requires a careful analysis of the objective factors by the trier.

Appellate courts are in no better position than are the lower courts to analyze the evidence and make a determination. Indeed, there are good reasons to presume the contrary. In *Scandia Down Corp. v. Euroquilt, Inc.*, 772 F.2d 1423, 1428 (7th Cir. 1985), *cert. denied*, 475 U.S. 1147 (1986), the 7th Circuit stated:

> The district judge is manager of the entire swirl of facts, and the clearly erroneous rule is based in substantial measure on a belief that because

> appellate courts never are in a better position than the district court, and often are in a worse one, a substitution of judgment would increase the randomness of the process without increasing accuracy over the run of cases.

In the context of a civil rights proceeding, this Court has declared that an appellate court acted improperly because it independently considered "the totality of the circumstances it found in the record." *Pullman-Standard,* 456 U.S. at 291. It is not enough for the appellate court to claim to apply Federal Rule 52(a)'s clearly erroneous standard and then actually to examine the evidence itself; if the evidence needs to be reexamined, the appellate court should remand the case "to the tribunal charged with the task of factfinding in the first instance." *Id.* at 293.

Specifically addressing "the vexing nature of the distinction between questions of fact and questions of law," this Court has stated that Federal Rule 52(a) did not "furnish particular guidance with distinguishing law from fact," nor did the Court know "of any other rule or principle that [would] unerringly distinguish a factual finding from a legal conclusion." *Id.* at 288. The Fourth Circuit, a court which follows the majority rule, relied upon this Court's treatment of the mixed question issue in *Pizzeria Uno Corp. v. Temple,* 747 F.2d 1522 (4th Cir. 1984), stating that the Supreme Court "made obsolete any distinction between subsidiary and ultimate findings in the application of the clearly erroneous rule . . . ." *Id.* at 1526.

Most recently, this Court has held that a de novo review by the Second Circuit of the district court's finding of no contributory trademark infringement was reversible error. *Inwood Labs., Inc. v. Ives Labs., Inc.,* 456 U.S. at 855. Obviously, this Court expects appellate courts to apply the clearly erroneous standard of review, as mandated by Federal Rule 52(a), regardless of whether the appellate court believes likelihood of confusion is a mixed question. Thus, it would be both consistent with this Court's prior decisions and beneficial to litigants affected by the circuits' incohesive analysis for this Court to settle the conflict. The Court should do this by granting certiorari in the instant case and holding that the clearly erroneous standard is always to be applied when a lower court's finding of likelihood of confusion is reviewed.

III. The Federal Circuit Should Be Held to the Second Circuit's Clearly Erroneous Standard of Review.

Federal Rule 52(a) provides that "[f]indings of fact, whether based on oral or documentary evidence, shall not be set aside unless clearly erroneous, and due regard shall be given to the opportunity of the trial court to judge the credibility of the witnesses." *Zenith Radio Corp.*, 395 U.S. 100, 123 (1969).

Trademark infringement/unfair competition cases are not exempted from the "clearly erroneous" rule. In *Inwood Labs., Inc.*, 456 U.S. at 855, a trademark infringement case, this Court reversed a judgment of the Second Circuit under Federal Rule 52(a) because the Court of Appeals erred in setting aside findings of fact which were not clearly erroneous. This Court stated:

> Each of those conclusions [of the court of appeals] is contrary to the findings of the District Court. An appellate court cannot substitute its view of the evidence for that of the trial court simply because the reviewing court might give the facts another construction . . . .

Id. at 857.

Nevertheless, in this case, in apparent violation of its express duty to follow the standard of review of the regional circuit,[10] a majority of the Court of Appeals for the Federal Circuit substituted its judgment for that of the trier of fact on several of the findings of fact.

In the instant case, the district court found that the fact that the products were not sold in the same retail outlets made confusion more likely because there was no opportunity for side by side comparison. Because side by side comparison may be a means by which confusion can be avoided in at least some cases, the district court's finding on this

---

10 "Since unfair competition issues are not within the Federal Circuit's exclusive jurisdiction, we apply the discernible precedent of the regional circuit." *L.A. Gear, Inc. v. Thom McAn Shoe Co. et al.*, 988 F.2d 1117, 1129 n.5 (Fed. Cir. 1993) (quoting from *Cicena, Ltd. v. Columbia Telecommunications Group*, 900 F.2d 1546, 1548 (Fed. Cir. 1990)).

Polaroid factor clearly was a permissible one. Yet the majority of the Court of Appeals for the Federal Circuit found that such a fact made confusion less likely. *L.A. Gear, Inc. v. Thom McAn Shoe Co., et al.*, 988 F.2d 1117, 1134 (Fed. Cir. 1993).

In the instant case, a majority also substituted its interpretation of the evidence on sophistication of the purchasers for that of the trial court. On this issue, the trial court stated:

> . . . Finally, there was little evidence produced to conclude that the buyers of girls' and women's athletic shoes are sophisticated and knowledgeable enough not to be confused by the similarity of the designs. The purchase of athletic footwear, including L.A. Gear shoes, does not involve an inordinate amount of time or money. Without additional information regarding the brand sophistication of consumers the Court cannot conclude that this factor significantly vitiates likelihood of confusion. Accordingly, the Court finds that the shoes are likely to cause consumer confusion.

(A64).

Notwithstanding this lack of evidence, the majority found:

> . . . We think the district court was mistaken in viewing these consumers as unsophisticated and casual in these purchases. We agree with Appellants that purchasers of fashion athletic shoes are likely to be well aware of the sources of such shoes, when such sources are conspicuously marked on the shoes by both copier and originator.

L.A. Gear, Inc., 988 F.2d at 1134.

The trial court found that, "Post-sale confusion is also likely in this case because of a similar placement and design of the labels." (A64). This finding was also discredited by the majority of the Court of Appeals which found, based upon the permanency of Respondent's

labeling, that post-sale confusion would be avoided. *L.A. Gear, Inc.*, 988 F.2d at 1134.

As the above demonstrates, the Federal Circuit clearly failed to stay within the Second Circuit's scope of review, which has only recently beem affirmed by that circuit. *See Paddington Corp. v. Attiki Importers & Distribs., Inc.*, 27 U.S.P.Q.2d 1189, 1194 (2d Cir. 1993) *(discussed infra* p. 8).

Finally, as Judge Meyer stated in his concurring/dissenting opinion:

> . . . The district court's findings on the *Polaroid* factors are amply supported by the evidence in the record, are not clearly erroneous, and all weigh in favor of its determination that a likelihood of confusion exists. It is apparent that the only way to come to any other conclusion is for this court to reweigh the evidence that was before the trial court, and to substitute its "hunch" for the district court's judgment. This is an impermissible intrusion on the fact finding role of the district court, and a violation of the proper role of an appellate court.

L.A. Gear, Inc., 988 F.2d at 1135 (Mayer, J., dissenting).

CONCLUSION

For the foregoing reasons, this Court should grant the Petition for a Writ of Certiorari on Questions 2 and 3.

Respectfully submitted,

JOAN L. DILLON
GINABETH BROWN
MORTON DAVID GOLDBERG
*JOHN C. STATON, JR.
*Counsel of Record
International Trademark Association
1133 Avenue of the Americas
New York, NY 10036-6710
Telephone: (212) 768-9887

Attorneys for Amicus Curiae, International Trademark Association